

**AMENDMENT TO THE AMENDMENT IN THE  
NATURE OF A SUBSTITUTE TO H.R. 1461  
OFFERED BY MR. HENSARLING OF TEXAS**

Page 268, after line 6, insert the following new section (and redesignate the succeeding section and any references to such section, accordingly):

**1 SEC. 184. STUDY OF ALTERNATIVE SECONDARY MARKET**  
**2 SYSTEMS.**

**3 (a) IN GENERAL.**—The Director of the Federal  
**4 Housing Finance Agency**, in consultation with the Board  
**5 of Governors of the Federal Reserve System**, the Secretary  
**6 of the Treasury**, and the Secretary of Housing and Urban  
**7 Development**, shall conduct a comprehensive study of the  
**8 effects on financial and housing finance markets of alter-**  
**9 natives to the current secondary market system for hous-**  
**10 ing finance**, taking into consideration changes in the struc-  
**11 ture of financial and housing finance markets and institu-**  
**12 tions since the creation of the Federal National Mortgage**  
**13 Association and the Federal Home Loan Mortgage Cor-**  
**14 poration.**

**15 (b) CONTENTS.**—The study under this section  
**16 shall—**



1 (1) include, among the alternatives to the cur-  
2 rent secondary market system analyzed—

3 (A) repeal of the chartering Acts for the  
4 Federal National Mortgage Association and the  
5 Federal Home Loan Mortgage Corporation;

6 (B) establishing bank-like mechanisms for  
7 granting new charters for limited purposed  
8 mortgage securitization entities;

9 (C) permitting the Director of the Federal  
10 Housing Finance Agency to grant new charters  
11 for limited purpose mortgage securitization en-  
12 tities, which shall include analyzing the terms  
13 on which such charters should be granted, in-  
14 cluding whether such charters should be sold,  
15 or whether such charters and the charters for  
16 the Federal National Mortgage Association and  
17 the Federal Home Loan Mortgage Corporation  
18 should be taxed or otherwise assessed a mone-  
19 tary price; and

20 (D) such other alternatives as the Director  
21 considers appropriate;

22 (2) examine all of the issues involved in making  
23 the transition to a completely private secondary  
24 mortgage market system;



1           (3) examine the technological advancements the  
2       private sector has made in providing liquidity in the  
3       secondary mortgage market and how such advance-  
4       ments have affected liquidity in the secondary mort-  
5       gage market; and

6           (4) examine how taxpayers would be impacted  
7       by each alternative system, including the complete  
8       privatization of the Federal National Mortgage As-  
9       sociation and the Federal Home Loan Mortgage  
10      Corporation.

11      (c) REPORT.—The Director of the Federal Housing  
12   Finance Agency shall submit a report to the Congress on  
13   the study not later than the expiration of the 12-month  
14   period beginning on the effective date under section 185.

